

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
WACO DIVISION

SAXX HOLDINGS INC.,

Plaintiff,

v.

STANFIELD'S LIMITED,

Defendants,

Case No. 6:20-cv-415

JURY TRIAL DEMANDED

COMPLAINT

Plaintiff Saxx Holdings Inc. by and through its undersigned attorneys, for its complaint against Defendant Stanfield's Limited alleges as follows:

PARTIES

1. Saxx is a British Columbia Company with its principal place of business at 68 West 5th Avenue, Vancouver, British Columbia, Canada.

2. On information and belief, Stanfield's is a Nova Scotia Limited Company with its principal place of business at 1 Logan Street, Truro, Nova Scotia, Canada.

JURISDICTION AND VENUE

3. Saxx brings this action for patent infringement under the Patent Act, 35 U.S.C. § 1, et seq.

4. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1331.

5. Venue is proper in this District pursuant to at least 28 U.S.C. § 1391(c)(3). Stanfield's is not resident in the United States, so venue is proper in any judicial district, including the Western District of Texas.

6. This Court has personal jurisdiction over Stanfield's because, inter alia, Stanfield's does business in the State of Texas. Upon information and belief, Stanfield's has advertised, promoted, offered for sale, sold, and/or distributed, and continues to advertise, promote, offer for sale, sell, and/or distribute infringing products to customers and potential customers in this judicial district, including, inter alia, directly through its website, www.Stanfields.com.

7. Upon further information and belief, Stanfield's primary (if not exclusive third-party) United States distributor is HisRoom.com ("HisRoom"). HisRoom holds itself out as the "world's premier online underwear authority"¹ and upon information and belief, is operated by Andra Group, LP out of its principal place of business at 8941 Empress Row, Dallas, Texas. Upon further information and belief, HisRoom has advertised, promoted, offered for sale, sold, and/or distributed, and continues to advertise, promote, offer for sale, sell, and/or distribute infringing products to customers and potential customers in this judicial district through its website, HisRoom.com. Upon further information and belief, fulfilment of orders of infringing products through some of the largest retailers in the United States, including Amazon and Walmart, are completed exclusively by HisRoom through its operations in Texas to customers, including those in this judicial district.

8. Upon information and belief, Stanfield's has placed infringing products into the stream of commerce and should have reasonably foreseen that those products would end up in the State of Texas, the second-most populous state in the United States. Further upon information and belief, Stanfield's has purposefully directed sales of the infringing products at the State of Texas including, inter alia, through its ongoing relationship with the Texas-based online retailer, HisRoom.

¹ See <https://www.hisroom.com/about-hisroom,1160,30.html> (last accessed May 18, 2020).

FACTUAL ALLEGATIONS UNDERLYING ALL CLAIMS

Saxx is a Significant Innovator in the Men's Underwear Market

9. Saxx was launched in 2007 to disrupt the market for men's underwear by offering consumers the most comfortable product, even if it meant reinventing the wheel. Just days into a lengthy fishing trip in the Pacific Ocean in 2006, former baseball player (catcher, NCAA Oklahoma State and UNLV, drafted by the Colorado Rockies) Trent Kitsch recognized an opportunity while experiencing discomfort wearing traditional underwear under his ocean fishing suit. He considered that while there are multiple varieties of men's underwear products (boxers, briefs, boxer-briefs, etc.), for as long as Mr. Kitsch could remember, each had maintained a relatively constant design. These designs resulted in problems for the user: chief among them was the lack of material between the genitals and the legs. As a result, users in a variety of common situations—performing athletic feats (like fishing and baseball), wearing tight, fashionable pants, or even sitting down in certain positions—could experience severe discomfort in or near his genitals including sticking, pressure, chafing and excessive moisture. There had generally not been much innovation in the technical design of underwear, and he wondered “how can I re-invent men's underwear to prevent contact and be more comfortable?”

10. Before his boat returned to port, Mr. Kitsch was already sketching out in his head designs that would address these problems. Soon after he returned to Richard Ivey School of Business School in Ontario, Canada, where Mr. Kitsch was studying to obtain his MBA, he and his co-inventor Craig Galinowski refined the concept and hired professional fashion designer Cara Megan to produce a first prototype and patterns, as well as ensure that the design utilized the most appropriate materials and was visually appealing to consumers.

11. Many prototypes later, Mr. Kitsch and his collaborators had settled on a design for the first model of Saxx men's underwear. The key innovation of the first Saxx underwear product was what would sometimes be known as "Comfort Side Panels:" two thin mesh internal panels extending toward a user's body from a genital pouch, which positioned a comfortable, wicking fabric between the genitals and the user's inner thighs. This design achieved Mr. Kitsch's vision of reducing discomfort and chafing all the while maintaining a visually-appealing aesthetic.

12. In the same year it was launched, Saxx released its first underwear design to the public. The first 200 pairs of Saxx underwear were sold over the Christmas holiday in the cafeteria at Mr. Kitsch's business school and on the sidewalk outside a Lululemon store in Toronto, Ontario. Flash-forward just two years, and Saxx had sold over 50,000 pairs of underwear utilizing the Comfort Side Panels.

13. Saxx has since grown from Mr. Kitsch and his early collaborators to over 80 employees and about 15 % of the North American market share for men's underwear in the over \$20 category. Saxx and its underwear products have been featured in numerous international publications, including Men's Health ("The Best Underwear for Men"), Men's Fitness ("The Best Boxers and Briefs of 2017"), Esquire ("The 10 Best Boxer Briefs to Wear Every Day"), and National Geographic ("The Ultimate Men's Travel Underwear"). Saxx has had enthusiastic customers and brand ambassadors such as current and former professional baseball players Justin Morneau, Jeff Francis, Jake Arietta, and Ian Desmond, professional basketball player Kevin Love, and professional surfer Mark Healy. Building on its core tenets of comfort and style, Saxx now offers various apparel products including athletic shorts, t-shirts, and sleepwear. These products are available throughout the United States in major retailers (Nordstrom's, REI) and regional brick-and-mortar stores (including the Texas-based Tyler's). They are also available online from specialist websites

like the Texas-based HisRoom, but also through Amazon, Zappos and other large online retailers. While Saxx has expanded its product line, it remains ever-conscious of its founding mission: to offer the most comfortable men's underwear by re-thinking decades of convention and by adopting innovative technologies designed to achieve comfort and versatility.

Saxx Invests in the Invention of U.S. Patent 9,375,035

14. Saxx not only innovates in the men's underwear industry, it also looks to invest in the meritorious inventions of others. One such investment is another improved men's underwear design by Jonkeo D. Ingels, a New York-based fashion designer originally from Laos.

15. On October 31, 2014, Mr. Ingels filed U.S. Patent Application No. 14/529,800, entitled "System for Male Genital Support and Enhancing Appearance."

16. U.S. Patent Application No. 14/529,800 eventually issued as U.S. Patent No. 9,375,035 on June 28, 2016 ("the '035 Patent").

17. On November 12, 2019, Saxx acquired all rights, title, and interest in the '035 Patent. That assignment was duly recorded at the United States Patent & Trademark Office on November 19, 2019.

18. The '035 Patent claims a male underwear garment with two comfort side panels but where the side panels cross-over one another. Like the original Kitsch design, the panels are positioned between the genitals and the user's thighs (and thus improving comfort). The cross-over also more fully covers the skin of the user under the scrotum. Mr. Ingels' invention was not limited to standard underwear (boxers, briefs or boxer briefs), but could also be used in long underwear (i.e., "long johns"), sweat pants, athletic shorts or even in various kinds of swimwear.

19. The two cross-over panels claimed in the invention are depicted below in Figure 1 from the '035 Patent. The figure shows the underwear inside out so that the panels and other features are clearly visible.

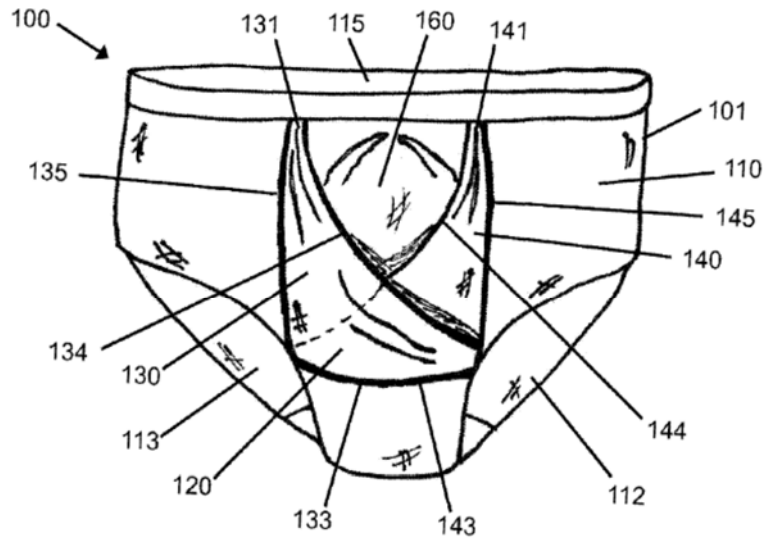


FIG. 1

20. In the '035 Patent, Mr. Ingels described the orientation of the panels in some embodiments of his invention as forming an "X", as is seen in the above patent figure.

Infringement of the '035 Patent by Stanfield's "X" Modal Boxer Briefs

21. Upon information and belief, in 2018, nearly four years after Mr. Ingels filed the application resulting in the '035 Patent, and over two years after the patent issued, Stanfield's released its "X" Modal line of men's boxer briefs.

22. Stanfield's advertises the "unique internal pouch construction" of its "X" Modal boxer briefs on its website, www.Stanfields.com, as part of the following image:



23. Stanfield's, by purposefully advertising, promoting, offering for sale, selling, and distributing the "X" Modal boxer briefs, infringes Saxx's intellectual property rights.










24. Stanfield's has conducted its infringing activities without a license or any other authorization.

25. Further, Stanfield's has conducted such activities in direct competition with Saxx's lawful and innovative product offerings. Indeed, upon information and belief, Stanfield's primary United States distributor is HisRoom, the well-known men's underwear online retailer based in Dallas. HisRoom's homepage, www.HisRoom.com, proudly touts to interested customers that it offers products from Saxx, but does not tout Stanfield's:

Welcome to HisRoom, the world's premier online underwear authority. Founded by Tomima Edmark in 1998, HisRoom has grown from just an underwear store to offer socks, activewear, swimwear, and even apparel, all from over 100 brands. You'll find classic favorites like Fruit of the Loom, Calvin Klein, and Polo Ralph Lauren, as well as newer brands like Saxx, Obviously, and PSD. We work hard to make your shopping as easy as possible—that includes tons of honest customer reviews and detailed sizing, fit, and fabric information on every item we carry. From Andrew Christian to Zimmerli, we're confident you'll find something you love at HisRoom.

Tomima Edmark—HisRoom Founder & President

Nonetheless, when consumers (including those in this judicial district) search HisRoom for boxer brief products, they are presented with numerous offerings from Saxx and a single Stanfield's product, the infringing "X" Modal boxer brief:

 <p>Saxx Underwear SXBB19 Undercover Cotton Modal Boxer Brief</p> <p>\$28.00 Now: \$14.95</p> <p>★ ★ ★ ★ ★</p>	 <p>Saxx Underwear sxbb56f Blacksheep 5 Inch Wool Boxer Brief</p> <p>\$45.00 25% Off Today!</p> <p>★ ★ ★ ★ ★</p>	 <p>Saxx Underwear SXPP2V Vibe Modern Fit Boxer - 2 Pack</p> <p>\$56.95 25% Off Today!</p> <p>★ ★ ★ ★ ★</p>
 <p>Saxx Underwear SXBB19F Undercover Boxer Brief with Fly</p> <p>\$28.00 25% Off Today!</p> <p>★ ★ ★ ★ ★</p>	 <p>Saxx Underwear SXPP2U Ultra Boxer Brief With Fly - 2 Pack</p> <p>\$56.95 25% Off Today!</p> <p>★ ★ ★ ★ ★</p>	 <p>Stanfield's P1798 X Pouch Modal Boxer Brief</p> <p>\$30.00 Now: \$21.95</p> <p>★ ★ ★ ★ ★</p>
 <p>Saxx Underwear SXLL70F Quest Long Leg Boxer Brief with Fly</p> <p>\$34.00 25% Off Today!</p> <p>★ ★ ★ ★ ★</p>	 <p>Saxx Underwear SXBB27 Kinetic Performance Semi-Compression Boxer</p> <p>\$36.94 Now: \$19.95</p> <p>★ ★ ★ ★ ★</p>	 <p>Saxx Underwear SXPP2M Sport Mesh Boxer Brief with Fly - 2 Pack</p> <p>\$39.95 25% Off Today!</p> <p>★ ★ ★ ★ ★</p>

26. As discussed in more detail below, the “X” Modal boxer briefs all include two cross-over panels forming an “X.”

27. As discussed in more detail below, the “X” Modal boxer briefs all utilize the inventions of the ’035 Patent.

28. On December 30, 2019, Saxx’s counsel wrote to Stanfield’s. The letter notified Stanfield’s of the ’035 Patent and explained that Stanfield’s “X” Modal boxer briefs infringe at least claim 1 of the ’035 Patent. The letter asked that Stanfield’s immediately cease and desist from further marketing or selling of the “X” Modal boxer briefs.

29. Despite the notice conveyed by Saxx’s December 30, 2019 letter, Stanfield’s has continued its infringing activities.

Count 1: Infringement of U.S. Patent No. 9,375,035

30. Saxx realleges and incorporates by reference the preceding paragraphs as though fully set forth herein.

31. Stanfield’s makes, uses, sells, offers for sale, and/or imports in/into the United States various men’s underwear products. Such products include, on information and belief, the “X” Modal boxer brief.

32. On information and belief, Stanfield’s has directly infringed and continues to directly infringe at least claim 1 of the ’035 Patent by, among other things, making, using, selling, offering for sale, and/or importing the “X” Modal boxer briefs in/into the United States.

33. On information and belief, the “X” Modal boxer brief is a male bottom garment comprising a front panel, a back panel, a left leg opening, a right leg opening, a crotch bottom, and a torso opening bounded by a torso opening edge, and wherein between the torso opening edge

and the crotch bottom, the male “X” Modal boxer briefs can be divided into five sections (section A, B, C, D, and E) of equal width.

34. On information and belief, the “X” Modal boxer briefs include a genital support pouch for carrying the male genitals, the pouch disposed on an inner surface of the front panel.

35. On further information and belief, the “X” Modal boxer brief’s genital support pouch comprises a first pouch strap having a narrow first upper tip flaring downwardly to a broader first lower base, wherein the first upper tip is disposed in the first section (section A) above the right leg opening, wherein the first upper tip is attached to the inner surface, wherein a first base edge of the first lower base is disposed in the fourth section (section D) and attached to the inner surface, and wherein a bottom end of a first vertical side edge of the first pouch strap is disposed above the middle portion of the right leg opening and the first vertical side edge is attached to the inner surface between the first section (section A) and the fourth section (section D).

36. On further information and belief, the “X” Modal boxer brief’s genital support pouch further comprises a second pouch strap having a narrow second upper tip flaring downwardly to a broader second lower base, wherein the second upper tip is disposed in the first section (section A) above the left leg opening, wherein the second upper tip is attached to the inner surface, wherein a second base edge of the second lower base is disposed in the fourth section (section D) and attached to the inner surface, and wherein a bottom end of a second vertical side edge of the second pouch strap is disposed above the middle portion of the left leg opening and the second vertical side edge is attached to the inner surface between the first section (section A) and the fourth section (section D).

37. On information and belief, the “X” Modal boxer briefs include a first diagonal edge of the first pouch strap and a second diagonal edge of the second pouch strap intersecting at a point

to form an “X”, and wherein the point of intersection is disposed in the third section (section C), wherein the first pouch strap overlaps the second pouch strap at and below the point of intersection.

38. On further information and belief, when the “X” Modal boxer briefs are worn, the male genitals are placed in the genital support pouch via a pouch opening disposed above the point of intersection and between the first diagonal edge and the second diagonal edge, wherein the pouch opening forms a “U” or “V” shaped structure.

39. On further information and belief, the total surface area of the genital support pouch of the “X” Modal boxer briefs is disposed between the first section (section A) and the fourth section (section D).

40. On further information and belief, the first pouch strap and the second pouch strap of the “X” Modal boxer briefs substantially overlap to cover the male genitals, thereby preventing the male genitals from contacting a skin of a thigh, and wherein the first pouch strap and the second pouch strap of the genital support pouch uplift the male genitals in Z-axis direction to enhance their appearance by maximizing genital outlines under a clothing when the garment is worn.

41. By making, using, testing, offering for sale, selling, and/or importing the “X” Modal boxer briefs, Stanfield’s has injured Saxx and is liable for directly infringing one or more claims of the ’035 Patent, including at least claim 1, pursuant to 35 U.S.C. § 271(a).

42. On information and belief, Stanfield’s indirectly infringes the ’035 Patent by actively inducing infringement under 35 U.S.C. § 271(b).

43. Stanfield’s has had knowledge of the ’035 Patent since at least December 30, 2019. Further, Stanfield’s has had knowledge of the ’035 Patent since at least service of this Complaint. On information and belief, Stanfield’s knew of the ’035 Patent and knew of its infringement, including by way of this lawsuit.

44. On information and belief, Stanfield's intended to induce patent infringement by importers, third-party retailers, and users of the "X" Modal boxer briefs and had knowledge that the inducing acts would cause infringement or was willfully blind to the possibility that its inducing acts would cause infringement. Stanfield's specifically intended and was aware that making, using, selling, offering for sale, and/or importing the "X" Modal boxer briefs would infringe the '035 Patent. Stanfield's performed the acts that constitute induced infringement with knowledge of the '035 Patent and with knowledge that the induced acts would constitute infringement. For example, on information and belief, Stanfield's contracts with third-party importers for import of the "X" Modal boxer briefs into the United States. By contracting in a manner that would cause third-party importers to directly infringe one or more claims of the '035 Patent, including at least claim 1, Stanfield's specifically intended to induce infringement of the '035 Patent. As a further example, on information and belief, Stanfield's contracts with third-party retailers for sale and for offer for sale of the "X" Modal boxer briefs by the third-party retailers. By contracting in a manner that would cause third-party retailers to directly infringe one or more claims of the '035 Patent, including at least claim 1, Stanfield's specifically intended to induce infringement of the '035 Patent. By selling and/or offering for sale the "X" Modal boxer briefs in a manner that would cause users to directly infringe one or more claims of the '035 Patent, including at least claim 1, Stanfield's specifically intended to induce infringement of the '035 Patent. Accordingly, Stanfield's has induced and continues to induce third-party importers, retailers, and users to import, sell, offer for sale, and use the "X" Modal boxer briefs in a manner that directly infringes the '035 Patent, knowing that such import, sale, offer for sale, and use constitute direct infringement of the '035 Patent.

45. Stanfield's is utilizing the technology claimed in the '035 Patent without paying a reasonable royalty. Stanfield's is infringing the '035 Patent in a manner best described as willful, deliberate, in bad faith, and/or flagrant.

46. As a result of infringement of the '035 Patent by Stanfield's, Saxx has suffered monetary damages, and seeks recovery in an amount adequate to compensate for that infringement, but in no event less than a reasonable royalty for the use made of the invention by Stanfield's with interest and costs as fixed by the Court.

47. On information and belief, infringement of the '035 Patent by Stanfield's has been, and continues to be willful and deliberate, and has caused substantial damage to Saxx.

PRAYER FOR RELIEF

Saxx requests the Court enter judgment against Stanfield's as follows:

- (A) That Stanfield's has infringed the patent-in-suit in violation of 35 U.S.C. § 271;
- (B) Awarding Saxx its damages suffered as a result of Stanfield's infringement, including but not limited to Stanfield's profits, Saxx's actual damages (including at least lost profits), enhanced damages, exemplary damages, costs, prejudgment and post judgment interest, and reasonable attorney fees;
- (C) Finding this case to be exceptional within the meaning of 35 U.S.C. § 285;
- (D) Awarding Saxx its costs, attorneys' fees, expenses, and interest;
- (E) Trebling Saxx's damages from Stanfield's due to willfulness;
- (F) Enjoining further wrongful acts by Stanfield's that would further irreparably injure Saxx and its intellectual property; and
- (G) Granting Saxx other and further relief as the Court may deem just and proper.

DEMAND FOR JURY TRIAL

Saxx hereby demands trial by jury on all issues so triable pursuant to Fed. R. Civ. P. 38.

Dated: May 21, 2020

/s/ M. Craig Tyler

M. Craig Tyler, Bar No. 00794762

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